

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN E. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0986

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

June 28, 2012

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Petition of South Carolina Electric & Gas Company for an Accounting Order to
Defer and Record as a Regulatory Asset Community/Economic Development
Grants made to Aiken County
Docket No. 2012-246-E

Dear Ms. Boyd:

This is to acknowledge that the Office of Regulatory Staff ("ORS") has reviewed the filing in the above referenced Docket, discussed with South Carolina Electric & Gas Company ("SCE&G" or "Company") representatives and has no objection to the Company's Petition for an accounting order to defer as a regulatory asset two economic development grants made to Aiken County totaling \$5.4 million ("Grants"). These Grants were used by Aiken County to encourage Bridgestone Americas Tire Operations, LLC ("Bridgestone") to (i) expand its existing manufacturing facility and (ii) construct a new 1.5 million square-foot off-road radial tire manufacturing facility in Aiken County. These facilities represent a total investment by Bridgestone of \$1.2 billion with an accompanying 850-plus new full-time and contractor positions.

Per the Petition, the Company requests authorization to amortize to electric operating expenses (i) \$2 million over the ten-year term of the plant expansion contract and (ii) \$3.4 million of the deferred amount associated with the new facility over the fifteen-year term of that contract. SCE&G proposes to amortize these Grants in equal monthly amounts over the contract periods for each of these facilities which were effective January 2012.

(Continued...)

The Company's Petition states this request will not involve a change to any of SCE&G's rates or prices, or require any change in any Commission rule, regulation or policy. The Petition also proffers that the issuance of an accounting order will not prejudice the right of any party to address this issue in a subsequent general rate case proceeding.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Chief Counsel, SC ORS
Jeffrey M. Nelson, Esquire, SC ORS
K. Chad Burgess, Associate Counsel, SCANA
Matthew W. Gissendanner, Esquire, SCANA
Dr. James Spearman, Executive Assistant, PSCSC